

UNITED STATES OF AMERICA  
POSTAL REGULATORY COMMISSION  
WASHINGTON, DC 20268-0001

Annual Compliance Review, 2021

Docket No. ACR2021

CHAIRMAN'S INFORMATION REQUEST NO. 6

(Issued January 25, 2022)

To clarify the basis of the Postal Service's FY 2021 *Annual Compliance Report* (ACR), filed December 29, 2021,<sup>1</sup> the Postal Service is requested to provide written responses to the following questions. Answers should be provided to the individual questions as soon as they are developed, but no later than February 1, 2022.

**Service Performance**

**For the following questions, if the Postal Service chooses to respond using a graphical representation of data, please also file the spreadsheet containing the data used to generate the graphic. Such spreadsheet shall preserve all data links and show all formulas used, including volumes and other weighting factors.**

1. The following questions concern the impact of the COVID-19 pandemic on the Internal Service Performance Measurement System and Product Tracking and Reporting System for Market Dominant products in FY 2021.
  - a. Please explain how the COVID-19 pandemic impacted the service performance measurement (e.g., statistical validity, volumes measured, collection point sampling) for Market Dominant products in FY 2021.

---

<sup>1</sup> United States Postal Service FY 2021 *Annual Compliance Report*, December 29, 2021 (FY 2021 ACR).

- b. Please quantify how much the COVID-19 pandemic impacted measurement in each mail processing phase (e.g., First-Mile, processing, Last-Mile) for Market Dominant products in FY 2021.
2. In its FY 2020 Annual Compliance Determination the Commission directed the Postal Service to evaluate the efficacy of its FY 2021 nationwide efforts to improve transit failures and provide specific detailed plans to improve transit failures in FY 2022.<sup>2</sup> In the transit improvement plans that the Postal Service submitted in response, it identifies new initiatives directed at improving transit failures, and provides three corresponding metrics to be used for purposes of evaluating the Postal Service's efforts with respect to these initiatives. First, to track the Postal Service's progress toward addressing failure by contractors to perform trips as planned, the Postal Service states that it will use "[t]rips departing late due to contractor failures" as a metric.<sup>3</sup> Second, to track the Postal Service's progress towards improving processing clearance (thereby reducing the number of late trips), the Postal Service states that it will use "trips departing late due to postal failures" as a metric.<sup>4</sup> Third, to track the Postal Service's progress towards optimizing its transportation network to ensure that trips are service responsive, the Postal Service states that it will use "service scores by transit lane" as a metric. Docket No. ACR2020, June 28 Third Response at 5. The Postal Service stated that implementation of the initiatives to which these metrics apply should be finalized by the end of FY 2021. Docket No. ACR2020, June 28 Third Response at 5.

---

<sup>2</sup> Docket No. ACR2020, *Annual Compliance Determination Report*, FY 2020, March 29, 2021, at 180-81 (FY 2020 ACD).

<sup>3</sup> Library Reference USPS-FY21-29, December 29, 2021, file "Preface USPS-FY21-29.pdf," at 4; Docket No. ACR2020, Third Response of the United States Postal Service to Commission Requests for Additional Information in the FY 2020 Annual Compliance Determination, June 28, 2021, at 4 (Docket No. ACR2020, June 28 Third Response).

<sup>4</sup> Library Reference USPS-FY21-29, file "Preface USPS-FY21-29.pdf," at 4; Docket No. ACR2020, June 28 Third Response at 4.

- a. For each of the metrics referred to above:
    - i. Please explain the source and derivation of the data relied upon, and provide supporting workpapers showing the relevant data for FY 2021.
    - ii. Please explain specifically how each metric differs from other transit-related metrics, such as Critically Late Trips or transit-related root cause or 24-Hour Processing Clock metrics.
  - b. For each of the initiatives to which the foregoing metrics apply:
    - i. Provide quantification, with supporting documentation, of the impact, if any, on service performance in FY 2021.
    - ii. If quantitative support for the impact is unavailable, please explain why it is unavailable, and provide a qualitative description of the impact on service performance.
3. In its FY 2020 Annual Compliance Determination, the Commission directed the Postal Service to evaluate the efficacy of its FY 2021 nationwide efforts to improve Last Mile failures and provide specific detailed plans to improve Last Mile failures in FY 2022. FY 2020 ACD at 180-81. In the Last Mile improvement plans that the Postal Service submitted in response, it identifies one initiative currently underway as the “National Joint Service Task Force,” whose purpose is to “identify actionable opportunities for improvements to key service indicators while keeping the focus on processes and the people doing the work.”<sup>5</sup>
- a. Please explain in detail the nature of this initiative, including what, if any, actions were taken by the National Joint Service Task Force during FY 2021.

---

<sup>5</sup> Library Reference USPS-FY21-29, file “Preface USPS-FY21-29.pdf,” at 4.

- b. Identify the metric(s) used to quantify the impact of the National Joint Service Task Force on service performance for FY 2021.
  - c. Provide the quantification, with supporting documentation, of the impact on service performance for FY 2021.
  - d. If quantitative support for the impact is unavailable, please explain why it is unavailable and provide a qualitative description of the impact on service performance.
  - e. If the Postal Service intends to continue using the National Joint Service Task Force in FY 2022, please identify the metric(s) that will be used to quantify the impact on service performance for FY 2022.
  - f. If the Postal Service does not intend to continue using the National Joint Service Task Force in FY 2022, please explain why the Postal Service does not intend to do so.
4. Please refer to the Postal Service's Response to CHIR No. 1, question 13.b.c., in which the Postal Service provided graphical representations of certain data.<sup>6</sup> Please provide the Excel spreadsheet containing the data used to generate the graphics. Please provide the numerator, the denominator, and the resulting calculation of employee availability, disaggregated by month for FY 2020 and FY 2021.
5. Please refer to the Postal Service's Response to CHIR No. 1, question 17.b., in which the Postal Service provided graphical representations of certain data. Please provide the Excel spreadsheet containing the data used to generate the graphics. Please provide detailed definitions of "OnRolls (Career)," "OnRolls (Pre-Career)," and how these data are collected and/or calculated.

---

<sup>6</sup> See Responses of the United States Postal Service to Questions 1-29 of Chairman's Information Request No. 1, January 18, 2022 (Response to CHIR No. 1)

6. Please refer to the Postal Service's Response to CHIR No. 1, question 19.b., in which the Postal Service provided a graphical representation of certain data. Please provide the Excel spreadsheet containing the data used to generate the graphic, disaggregated by week, for all of FY 2020 and FY 2021.
7. Please refer to the Postal Service's Response to CHIR No. 1, question 21.a.b., in which the Postal Service provided tabular representations of certain data. Please provide the Excel spreadsheet containing the data used to generate the tables.
8. Please refer to the Postal Service's Response to CHIR No. 1, question 22, in which the Postal Service provided tabular representations of certain data. Please provide the Excel spreadsheet containing the data used to generate the tables. In addition, the Postal Service should include the volume of Single-Piece First-Class Mail, disaggregated by the fiscal quarter and the total for the fiscal year.
9. Please refer to the Postal Service's Response to CHIR No. 1, question 23, in which the Postal Service provided a tabular representation of certain data. Please provide the Excel spreadsheet containing the data used to generate the table. In addition, the Postal Service should include the following calculations for Single-Piece First-Class Mail, Percentage of Mail in Measurement, Percentage of Mail entered as Full-Service prices and included in measurement, and Percentage of Mail Processed as Full-Service IMb, but excluded from measurement.
10. Please refer to the Postal Service's Response to CHIR No. 1, question 25.a.ii., in which the Postal Service provided a tabular representation of certain data. Please provide the Excel spreadsheet containing the data used to generate the table.

11. In its FY 2020 Annual Compliance Determination, the Commission directed the Postal Service to evaluate the efficacy of its FY 2021 efforts to improve service performance for international First-Class Mail products by addressing processing deficiencies at International Service Centers (ISCs), and provide specific detailed plans to address such processing deficiencies in FY 2022. FY 2020 ACD at 183-84. In the ISC evaluations and improvement plans that the Postal Service submitted in response, the Postal Service identified relevant deficiencies at ISCs with respect to Inbound Letter Post as including improper mailflow and processing operations during Phase II of processing (during which Inbound Letter Post mailpieces are accepted and cleared through customs at the ISC and then enter into the domestic delivery network).<sup>7</sup> For Phase III of Inbound Letter Post processing (during which Inbound Letter Post mailpieces move through the domestic delivery network to their final destination), as well as for Outbound Single-Piece First-Class Mail International, the Postal Service identified relevant deficiencies as being similar to those encountered in the domestic delivery network generally.<sup>8</sup> To track the Postal Service's progress towards addressing improper mailflow and processing operations during Phase II of Inbound Letter Post processing, the Postal Service states that it will use "Operation 848 scores" as a metric.<sup>9</sup> To track the Postal Service's progress towards addressing deficiencies during Phase III of Inbound Letter Post processing, as well as for

---

<sup>7</sup> Library Reference USPS-FY21-29, file "FY21-29 Supplement - International.pdf," at 15-20; Docket No. ACR2020, Third Response of the United States Postal Service to Commission Requests for Additional Information in the FY 2020 Annual Compliance Determination (Questions 1, 5, and 6), July 2, 2021, at First-Class Mail Service Performance 1-6 (Docket No. ACR2020, July 2 Third Response).

<sup>8</sup> Library Reference USPS-FY21-29, file "FY21-29 Supplement - International.pdf," at 15-20; Docket No. ACR2020, July 2 Third Response at First-Class Mail Service Performance 1-6.

<sup>9</sup> Library Reference USPS-FY21-29, file "FY21-29 Supplement - International.pdf," at 22; Docket No. ACR2020, July 2 Third Response at First-Class Mail Service Performance 8.

Outbound Single-Piece First-Class Mail, the Postal Service states that it will use “Domestic Network to Delivery Mailflow performance scores” as a metric.<sup>10</sup>

- a. For each of the metrics referred to above:
    - i. Please explain the source and derivation of the data relied upon, and provide supporting workpapers showing the relevant data for FY 2021.
  - b. For each of the initiatives to which the foregoing metrics apply:
    - i. Provide quantification, with supporting documentation, of the impact, if any, on service performance in FY 2021.
    - ii. If quantitative support for the impact is unavailable, please explain why it is unavailable, and provide a qualitative description of the impact on service performance.
12. The Postal Service states that its FY 2020 reorganization of its operations into “separate functions for retail and delivery on the one hand and processing and logistics on the other, is designed to drive this process of continuous improvement by establishing clear lines of accountability to better enable service performance improvements, enhance communication and oversight, and ensure quicker implementation of strategies and initiatives.”<sup>11</sup>
- a. Did the reorganization enable service performance improvements, enhance communication and oversight, and ensure quicker implementation of strategies and initiatives for Market Dominant service performance in FY 2021?

---

<sup>10</sup> Library Reference USPS-FY21-29, file “FY21-29 Supplement - International.pdf,” at 22; Docket No. ACR2020, July 2 Third Response at First-Class Mail Service Performance 8.

<sup>11</sup> See Docket No. ACR2020, United States Postal Service FY 2020 *Annual Compliance Report*, December 29, 2020, at 39 (FY 2020 ACR).

- b. Please provide quantitative support and identify the metric(s) used in making this determination in part a. If quantitative support is unavailable, please so state, explain why it is unavailable, and provide qualitative analysis in support of the answer.
- 13. The Postal Service states that its Headquarters In-Plant Support Letter and Flat, Planning and Implementation group aimed to strategically stabilize all letter- and flat-shaped products; create site-specific, achievable operating plans; and adjust reporting standards to identify the variance to the new site-specific plans.<sup>12</sup> It also states that it would develop a tool associated with these goals.<sup>13</sup>
  - a. Did the creation of the Headquarters In-Plant Support Letter and Flat, Planning and Implementation group strategically stabilize all letter- and flat-shaped products; create site-specific, achievable operating plans; and adjust reporting standards to identify the variance to the new site-specific plans for Market Dominant service performance in FY 2021?
  - b. Please provide quantitative support and identify the metric(s) used in making this determination in part a. If quantitative support is unavailable, please so state, explain why it is unavailable, and provide qualitative analysis in support of the answer.
- 14. The Postal Service states that the geographic redivision from the legacy Areas to new regions and divisions was expected to improve Market Dominant service performance by “allow[ing] for increased direct-to-the-plant manager efficacy and consistency of message and direction.” See Docket No. ACR2020, Response to CIR No. 1, question 10.a.

---

<sup>12</sup> See Docket No. ACR2020, Responses of the United States Postal Service to Questions 1-21 of Commission Information Request No. 1, January 15, 2021, question 11.a. (Docket No. ACR2020, Response to CIR No. 1).

<sup>13</sup> See Docket No. ACR2020, Responses of the United States Postal Service to Questions 1-7, 10-20 of Chairman’s Information Request No. 6, February 4, 2021, question 13.b.



- a. Did the geographic redivision increase direct-to-the-plant manager efficacy and consistency of message and direction for Market Dominant service performance in FY 2021?
  - b. Please provide quantitative support and identify the metric(s) used in making this determination in part a. If quantitative support is unavailable, please so state, explain why it is unavailable, and provide qualitative analysis in support of the answer.
- 15. Please refer to the FY 2021 service performance targets for Market Dominant products appearing in Library Reference USPS-FY21-29, December 29, 2021, file "FY21-29 Service Performance Report.pdf," at 4, 10, 14, 21, 25.
  - a. Please identify and explain the criteria, data, and methodology used to develop the FY 2021 service performance targets for Market Dominant products that appear in Library Reference USPS-FY21-29, file "FY21-29 Service Performance Report.pdf," at 4, 10, 14, 21, 25. In the response, specifically address whether any consideration was given to the FY 2021 targets as interim steps towards longer-term targets, and, if so, how such consideration was factored into the methodology.
  - b. Please explain the rationale for changing service performance targets for First-Class Mail, USPS Marketing Mail, and Periodicals products from FY 2020 to FY 2021.<sup>14</sup>
  - c. Please explain the rationale for retaining the same service performance targets (90.0 percent on-time) for Package Services and Special Services

---

<sup>14</sup> Compare Docket No. ACR2020, Library Reference USPS-FY20-29, December 29, 2020, file "FY20-29 Service Performance Report.pdf," at 4, 14, 17, *with* Docket No. ACR2021, Library Reference USPS-FY-21-29, file "FY21-29 Service Performance Report.pdf," at 4, 10, 14.

from FY 2020 to FY 2021.<sup>15</sup> In the response, specifically address the rationale for retaining the 90.0 percent on-time target for Bound Printed Matter Flats and Media Mail/Library Mail, products which have had service performance scores below their targets for multiple consecutive years. See, e.g., FY 2020 ACD at 203.

- d. Please provide the FY 2022 targets for Market Dominant products that correspond with the products and categories appearing in Docket No. ACR2021, Library Reference USPS-FY21-29, file “FY21-29 Service Performance Report.pdf,” at 4, 10, 14, 21, 25.
- e. Please identify and explain the criteria, data, and methodology used to develop the FY 2022 service performance targets for Market Dominant products corresponding to the products and categories appearing in Docket No. ACR2021, Library Reference USPS-FY21-29, file “FY21-29 Service Performance Report.pdf,” at 4, 10, 14, 21, 25. In the response, specifically address whether any consideration was given to the FY 2022 targets as interim steps towards longer-term targets, and, if so, how such consideration was factored into the methodology.
- f. Does the Postal Service expect on-time service performance for each Market Dominant product to meet or exceed its applicable service performance target in FY 2022?
  - i. If the answer is yes, please explain how the Postal Service will ensure that the FY 2022 service performance targets are met.

---

<sup>15</sup> Compare Docket No. ACR2020, Library Reference USPS-FY20-29, file “FY20-29 Service Performance Report.pdf,” at 20, 25, with Docket No. ACR2021, Library Reference USPS-FY-21-29, file “FY21-29 Service Performance Report.pdf,” at 21, 25.

- ii. If the answer is no for any products, please explain the basis for the Postal Service's answer.

By the Chairman.

Michael Kubayanda